Closure of Ailing Steel Companies

3931. SHRI PREM CHAND GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that financial institutions are close to changing the management of two ailing steel companies : Mesco Steel and Malvika Steel in a bid to prevent them from closing down; and

(b) if so, the position in regard to these two companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI BALASAHEB VIKHE PATIL : (a) and (b) Yes, Sir. However, in accordance with the practices and usages customary amongst banks and in conformity with the provisions of statutes governing public sector banks and financial institutions as also the provisions of Public Financial Institutions (obligation as to Fidelity and Secrecy) Act, 1983, details relating to individual constituents cannot be divulged.

Bullion Scam

3932. SHRI PREM CHAND GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Rs. 70 crore bullion scam involving the bullion firm K.L. Chowksi is fast swelling to cross Rs. 100 crore mark with the Branch Manager of Mumbai based BVC Travels confessing to police that he had delivered 1,000 gold biscuits and 39 tonnes of silver worth Rs. 43.58 crore to Chowksi; and

(b) if so, what are the details of this case ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) : (a) and (b) Government has no information that the bullion scam involving the bullion firm K.L. Chowksi is fast swelling to cross Rs. 100 crore mark. No transaction relating to delivery of 1000 gold biscuits and 39 tonnes of silver worth Rs. 43.58 crore to Chowksi, has come to the notice of CBI Mumbai Branch during investigations into the case.

Action against major defaulting NBFCs

3933. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have initiated any action against 25 major defaulting NBFCs during 2000-2001, till date ;

(b) if so, the details thereof ;

(c) the details of 40 major NBFCs having mobilised deposit of more than Rs. 20-25 crores from the public and the present status of these NBFCs; and

(d) the action taken by RBI/Company Law Board against 25 top defaulting companies for tax-evasion of more than Rs. 50-100 crores during 2000-2001 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEBVIKHE PATIL):

(a) to (c) As per Reserve Bank of India, there are 50 major NBFCs holding public deposits of more than Rs. 20.00 crore as on 31-3-2001. Out of these, RBI has taken action against 17 major defaulting NBFCs in the form of rejection of their applications for Certificate of Registration, issuing prohibitory orders, institution of Criminal complaints, winding up petition, etc. Among the remaining 33 companies, functioning of 27 companies is normal, 6 are facing certain temporary liquidity problems but are not defaulting in repayment of public deposits. Details of 50 such NBFCs, including 17 major defaulting NBFCs, are given in the statement (*See* below). Action taken by RBI/Company Law Board against 17 major defaulting NBFCs is shown against each company in this Statement.

(d) Income Tax Department has not levied any penalty during 2000-2001 against such companies.

STATEMENT

NBFCs holding public deposits more than Rs. 20 crore

(As on March 31, 2001)

Name of the Company	Public Deposits (Rs. Lakhs)	Status	Action taken against defaulting NBFCs
1	2	3	4
ICDS Ltd.	13631	Temp. liquidity problem	Nil
Maha rashtra Apex Corpn Ltd.	15308	-do-	-do-
Manipal Finance Corpn. Ltd.	3575	-do-	-do-
Vijaya Commercial Credit Ltd.	3458	Defaulting company	Application for Certification of Registration rejected and Prohibitory Order issued.
Vijaya Leasing Ltd.	2449	-do-	-do-

1	2	3	4
Kirloskar Investment & Fin. Ltd.	9804	Defaulting company	Application for Certification of Registration (CoR) rejected and winding up petition of the company filed in the Hon'ble Karnataka High Coiurt. Criminal proceedings also have been initiated against the past Directors for violations of the RBI Act/Directions issued thereunder, as also for diversion of funds.
Samrudhi Saving & Inv. (I)	3919	-do-	-do-
Sundaram Finance Ltd.	67877	Normal	Nil
Ashok Leyland Finance Ltd.	22436	-do-	-do-
Cholamandalam Inv. & Fin. Co.	18510	-do-	-do-
First Leasing Co. of (I) Ltd.	8998	-do-	-do-
T.N. Transport Dev. Finance	26096	-do=	-do-
Lakshmi General Finance Ltd.	13141	-do-	-do-
Annamali Finance Ltd.	5645	-do-	-do-
T. N. Ind. Dev. Corpn Ltd.	16848*	-do-	-do-
T.N. Power Fin. & Infra. Dev. Ltd.	24308	-do-	-do-
Integrated Finance Co. Ltd.	6424	-do-	-do-
India Cements Cap & Fin Ltd.	4230	-do-	-do-
Fidelity Finance Ltd.	2400*	Defaulting Company	Show Cause Notice issued for non-payment of matured deposits. Bank has given six months time for repayment of deposits.
The Investment Trust of India Ltd.	3157	Normal	Nil
Sahara India Fin. Corpn. Ltd.	3950	-do-	-do-

*Provisional

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1	2	3	4
Krishi Export Comm. Corpn. Ltd.	5656	Defaulting company	Application for CoR rejected and prohibitory Order issued. Winding up petition filed.
Kuber Mutual Benefit Ltd. (Denotified Nidhi)	19279	-do-	Denotified Nidhi. Bank has filed winding up petition.
In Can Mutual Benefit Ltd. (Notified Nidhi)	6658	-do-	Being a Notified Nidhi, the Bank has taken up the matter with DCA who is in the process of denotifying it.
Peerless General Finan. & Investment Co. Ltd	792225	Temp. liquidity problem	Nil
Ceat Financial Services Ltd.	12534	Defaulting company	Supervisory letter issued.
Nicco Ucom Alliance Credit Ltd.	10006	Normal	Nil
Janapriya Fin. & Inds. Investment	3855	Defaulting company	Application for CoR rejected and Prohibitory Order issued.
IFB Finance Ltd.	2721	-do-	Application for CoR rejected and Prohibitory Order issued.
West Bengal Industrial Dev. Corpn. Ltd.	8180*	Normal	Nil
West Bengal Infra. Dev. Corpn.	2380*	-do-	-do-
Prudential Capital & Markets Limited	4767	Defaulting company	Application for CoR rejected and Prohibitory Order issued. Criminal complaint was filed for violation of CLB Order.
Sanchayani Savings & Inv. Co. Ltd.	59972	-do-	Prohibitory Order issued, against which company has filed cases in various Courts.

*Provisional

1	2	3	4
Rapti Nidhi Ltd.	6266	Defaulting company	Application for CoR rejected and prohibitory Order issued.
Tata Finance Ltd.	92842	Normal	Nil
Infrastructure Leasing & Fin. Service Ltd.	32235	-do-	-do-
Kotak Mahindra Finance Ltd.	17344	-do-	-do-
Alpic Finance Ltd.	3248	Defaulting company	Company stopped accepting public deposits. It has approached CLB for reschedulement for repaying deposits.
Birla Global Finance Ltd.	5258	Normal	Nil
L & T Finance Ltd.	8743	-do-	-do-
Lloyds Finance Ltd.	27965	Defaulting company	Observer appointed. CLB has passed Order rescheduling repayment of public deposits.
Mahindra & Mahindra Fin. Services Ltd.	4142	Normal	—
Kinetic Fincap Ltd.	3019	-do-	Nil
SICOM Ltd.	3906	-do-	-do-
Wall Street Finance Ltd.	2019	-do-	-do-
Jayabharat Credit Ltd.	2995	-do-	-do-
Escorts Finance Ltd.	22115	-do-	-do-
DCM Financial Services Ltd.	6285	Defaulting company	Observer appointed. Company submitted plans for reorganization to the High Court at Delhi.
MGF (I) Ltd.	3225	Temp. liquidity problem	Nil
Motor General Finance Ltd.	10355	-do-	-do-